

Abitibi-Price Inc.

Revised October 2, 1985 (IC)

Destroy all previous Basic and White cards on this Company

CUSIP Number 003680

Stock Symbol A

Head Office — Toronto-Dominion Tower, Toronto-Dominion Centre, Toronto, Ont. M5K 1B3

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THE COMPANY, the world's largest producer of newsprint, is an integrated forest products company engaged in the manufacture of groundwood papers, fine papers, kraft pulp, lumber and building products. The company also has paper converting operations and a major distribution network for printing papers, industrial paper products and information processing supplies. In addition, the company has a 40% voting interest in Mattabi Mines Limited.

COMPARATIVE DATA									
Fiscal Year	Total Assets	L-Term Debt	Shldrs.' Equity	Net Sales	Net Inc. Oper.	Earns. per Sh.	Divds. Paid	Price Range	
								High	Low
	\$	\$	\$	\$	\$	\$	\$	\$	\$
1984....	1,821,659	424,543	909,865	2,137,169	72,326	1.02	0.40	11.33	8.17
1983....	1,700,418	399,731	861,524	1,660,180	38,013	0.48	*0.20	8.58	6.00
1982....	1,619,175	396,227	824,180	1,634,262	60,973	0.82	0.50	7.54	5.00
1981....	1,636,560	401,295	733,920	1,763,385	123,566	1.86	0.53	10.75	6.38
1980....	1,393,778	373,937	617,965	1,364,695	83,753	1.31	0.53	8.96	5.83

▲Adjusted throughout for the 3-for-1 stock split, May 1, 1985.

*Three quarterly dividends.

CONSOLIDATED CAPITALIZATION AT DECEMBER 31, 1984			
	Outstanding		%
Long-term debt		\$424,543,000	32
Preferred stock	2,084,300 shs.	104,215,000	8
Common stock	21,310,129 shs.	121,239,000	9
Retained earnings		671,278,000	50
Deferred foreign currency translation gain		13,133,000	1

Note—Common stock subsequently split 3-for 1, May 1, 1985; 3,680,123 \$0.94 series F preferred shares issued in April, 1985; and all outstanding series B preferred shares redeemed, June 16, 1985.

SUMMARY STATEMENT

For the six months ended June 30, 1985, net income, operations rose 35% to an 18% increase in net sales compared with 1984 first half results. See Interim Report on page 12 for details.

A 3-for-1 split of the company's common shares became effective on May 1, 1985.

Net income, operations for 1984 increased 90% compared with 1983 earnings. Net sales rose 29% to top the \$2 billion level.

A quarterly dividend of 15 cents per share was paid July 31, 1985 (first following the 3-for-1 split). Previously, 45 cents per pre-split share was paid on Apr. 30, 1985. In mid-1985, the company announced the discontinuance of its optional stock dividend plan.

Acquisition by Gulf Canada Limited from Olympia & York Developments Limited of 84% of the outstanding common shares of the company at \$21 per share was completed in August, 1985. Gulf Canada in September, 1985, made an unconditional cash tender offer of \$21 per share to minority shareholders; Olympia & York has agreed to tender such additional shares as necessary to give Gulf Canada 90% interest.

Redemption of all outstanding 10% series B preferred shares took place on June 16, 1985 at \$50 per share. In December, 1984, the company redeemed all of the outstanding series D and \$2.17 convertible series E preferred shares at \$50 per share and \$26.25 per share, respectively.

Acquisition of Barbecon Inc., Canada's largest envelope manufacturer and a major distributor of printing papers, was completed effective Apr. 1, 1985. Total cost of the acquisition was \$52,800,133, including \$10,475,613 cash plus the issuance of 3,680,393 \$0.94 retractable series F preferred shares having a stated value of \$11.50 per share.

CIP Daxion Inc., a supplier of paper and packaging products to restaurants, hotels and other service industries, was acquired from CIP Inc. effective Feb. 28, 1985 for \$28,433,000.

N.B.—For quick reference data and index, see page 2.

THE FINANCIAL POST CORPORATION SERVICE

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QUICK REFERENCE DATA

Major Shareholder—As at August 23, 1985, Gulf Canada Ltd. held 84% of the company's outstanding common shares.

Employees—At December 31, 1984, the company had 14,793 employees.

Incorporated—Dominion charter, February 9, 1914; continuance, October 15, 1979.

Auditors—Price Waterhouse, C.A.'s, Toronto.

Fiscal Year Ends—December 31.

Annual Report Appeared—In March in 1985.

Annual Meeting—April 15 in 1985.

Listed—A, common: Toronto, Montreal and Vancouver Stock Exchanges; series A preferred: Toronto and Montreal Stock Exchanges.

Shareholders—As at June 30, 1985, the company had 5,196 common shareholders.

Transfer Agents & Registrars—Montreal Trust Company, Toronto, Montreal, Halifax, Winnipeg, Regina, Calgary and Vancouver; National Bank of Detroit, Detroit.

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COMPANY

The company is the world's largest producer of newsprint and ranks among Canada's largest forest products enterprises with 29 manufacturing plants in North America. In addition to the production of newsprint, the company produces groundwood papers, fine papers, kraft pulp, building products and lumber. The company also has paper converting operations and a major distribution network for printing papers, industrial paper products and information processing supplies.

The company also holds a 40% interest in Mattabi Mines Limited which owns a zinc-copper-lead-silver

mine in northern Ontario and holds long-term mineral rights on more than 2,300 acres in Newfoundland.

SALES

Net sales by business segment for the past two years have been as follows:

	1984		1983	
	\$000's	%	\$000's	%
Pulp & Paper:				
Newsprint	946,400	44	724,300	44
Groundwood papers	274,300	13	195,800	12
Fine papers	108,400	5	83,700	5
Convert. & dis-trib.	469,800	22	331,700	20
Kraft products	53,800	3	51,900	3
	1,852,700	87	1,387,400	84
Building products ..	174,800	8	164,400	10
Lumber	109,700	5	108,400	6
	2,137,200	100	1,660,200	100

Net sales by geographic segment have been as follows for the past two years:

	1984		1983	
	\$000's	%	\$000's	%
Canada	1,676,700	78	1,391,400	84
United States	460,500	22	268,800	16
	2,137,200	100	1,660,200	100

EARNINGS

Operating profit (before interest and other income, mining and exploration expenses, general corporate expenses, interest expense, income taxes, minority interest and extraordinary items) by business segment for the last two years has been as follows:

	1984		*1983	
	\$000's	%	\$000's	%
Pulp and paper	162,400	93	63,700	83
Bldg. prod. & lumber ..	12,800	7	13,100	17
	175,200	100	76,800	100

*As shown in the 1984 Annual Report.

Operating profit by geographic segment has been as follows for the past two years:

	1984		*1983	
	\$000's	%	\$000's	%
Canada	154,000	88	57,800	75
United States	21,200	12	19,000	25
	175,200	100	76,800	100

*As shown in the 1983 annual report.

OPERATIONS & PROPERTIES

Abitibi-Price is an integrated forest products company with manufacturing operations in Canada and the U.S. Operations are carried out through three operating groups, The Core Business Group, the Diversified Business Group and the U.S. Building Products Group, as follows:

Core Business Group

This group comprises the primary forest products operations, newsprint, groundwood papers, pulp and paper and lumber as well as the woodlands operations.

Newsprint—The company is the world's largest newsprint producer and operates nine newsprint mills with 19 newsprint machines in Canada and the U.S. with locations and approximate annual capacities as follows:

Location	Capacity (tonnes)
Canada:	
Grand Falls, Nfld.	242,800
Stephenville, Nfld.	156,900
Chandler, Que.▲	219,100
Alma, Que.	264,400
Iroquois Falls, Ont.	278,900
Thunder Bay, Ont. (2)	284,900
Pine Falls, Man.	163,000
	1,610,000
United States:	
Augusta, Ga.‡	324,500
	1,934,500

▲Owned by The New York Times Company.
‡50%-owned.

The company is an equal joint-venture partner with a subsidiary of Thomson Newspapers Limited in Augusta Newsprint Company. Augusta Newsprint operates a newsprint mill with two newsprint machines in Augusta, Ga. The company is obliged to purchase and market the newsprint produced by the venture.

The company is obliged to purchase and market until 1995, one-half of the output (to a maximum 72,600 tonnes per annum) of Boise Southern Newsprint Corporation's newsprint machine at De Ridder, La. Notice of the company's intention to reduce its annual commitment by 23,000 tonnes in 1986 and a further 23,000 tonnes in 1987 has been given.

In 1984, the company's Canadian mills operated at 91.4% of capacity producing 1,455,000 tonnes of newsprint. The U.S. mill operated at 88.4% of capacity, producing 266,000 tonnes of newsprint. Total newsprint production of 1,721,000 tonnes in 1984 represented an 18% increase over 1983 production of 1,461,000 tonnes. A further 64,000 tonnes were made available in 1984 under an exclusive marketing agreement.

Groundwood papers—These are manufactured at mills located at Jonquière and Beauport, Que. The mill at Beauport, Que., converted from newsprint production in 1984, has an annual production capacity of 145,000 tonnes. Groundwood papers are used for preprinted advertising inserts and special newspaper sections, advertising flyers, magazines, catalogues, directories and business forms and are sold primarily to North American commercial printers. The company is North America's largest producer of uncoated groundwood papers.

In 1984, groundwood papers production totaled 374,000 tonnes (a 98.8% operating rate) including 44,900 tons produced by the mill at Sault Ste. Marie, Ont. prior to its sale on June 1, 1984. The company has announced plans to convert a newsprint machine at Alma, Que. to the production of directory and catalogue paper for \$28 million by the end of 1986.

Newsprint and groundwood paper sales and services are handled in Canada from offices in Toronto and Montreal; in the U.S. by Abitibi-Price Sales Corporation, with offices in Detroit, Mich.; Dallas, Tex.; Atlanta, Ga.; Des Plaines, Ill.; New York, N.Y.; and in London, Eng., by Abitibi-Price Sales Company Limited.

Kraft Pulp—The company produces softwood kraft pulp at a mill located in Smooth Rock Falls, Ont. Sales and services are handled by Abitibi-Price Inc. in Toronto.

Production in 1984, totaled 109,000 tonnes of kraft pulp. In addition, 6,000 tonnes of paperboard were produced at the Jonquière kraft products mill prior to its sale on Mar. 1, 1984.

Lumber—Softwood lumber is produced at two sawmills at Smooth Rock Falls, Ont. and L'Ascension, Que. The company also sells the production of three other sawmills and one waferboard plant in Ontario.

Production of lumber in 1984 totaled 181 million fbm.

Wood Fibre Resources—The company owns or has cutting rights on 11 million hectares (approximately 25 million acres) of land in Canada and the U.S.

In 1984, these lands supplied company mills with approximately 6.8 million cubic metres of wood, about one-half of which was cut on company limits and the balance of which was purchased from third parties.

Diversified Business Group

This group engages, through various subsidiaries and divisions, in the manufacture of coated paper, the distribution of printing and industrial papers and information processing supplies and the conversion of paper and other materials into stationery, school supplies and envelopes.

The **Provincial Papers Division** produces coated papers at mills in Thunder Bay, Ont., where the focus is on higher grade coated papers, and Georgetown, Ont., where base paper stock is converted into high quality coated papers.

In 1984, Provincial Papers made a significant turnaround, increasing production to 121,000 tonnes from 114,000 tonnes in 1983. Provincial is currently installing additional coating capacity at its Thunder Bay mill which is expected to increase coating capacity from the present 80% to 100% by the end of 1985.

Inter City Papers Limited is the largest distributor of printing and industrial papers in Canada. Printing and industrial papers and allied products, manufactured by the company and a number of other manufacturers, are marketed through Inter City's network of 19 merchant outlets. In addition, Inter City manufactures folding cartons, paper bags and industrial towels at a plant in Lachute, Que.

U.S. paper distribution operations are carried out through Whitaker Carpenter Paper Company of Chicago, Ill., acquired by Inter City in 1984.

In February, 1985, the company acquired CIP Daxion Inc., a distributor of industrial papers and packaging products supplying hospitals, hotels, restaurants and other service industries, from CIP Inc., for \$28,433,000. CIP Daxion is now part of Inter City Papers.

Information processing supplies are distributed by the company's Azerty operation based in Buffalo, N.Y. Inter City Papers reported record earnings in 1984.

Through the **Hilroy Division**, the company is a major Canadian manufacturer and distributor of paper-related school and office supplies. Manufacturing plants are located in Ontario, Quebec and British Columbia. In 1984, earnings declined despite steady sales, primarily due to price competition from imports.

Through the **Canada Envelope Division**, the company is a major Canadian producer of envelopes. Plants are operated in Quebec, Ontario, Manitoba, Alberta and British Columbia. Products include cash dispersal envelopes for use in bank automated teller machines, courier envelopes and computer diskette pouches.

Barbecon Inc., acquired by the company effective Apr. 2, 1985, is Canada's largest envelope manufacturer and is a major distributor of printing papers. Based in Toronto, Barbecon operates eight plants across Canada.

U.S. Building Products Group

This group manufactures products for the home construction industry, including hardboard products, hardboard siding and pre-finished plastic mouldings.

Hardboard Products—The company manufactures hardboard products at a mill in Alpena, Mich. A large portion of the product turned out at Alpena is converted into decorative wall panels at a converting operation in Toledo, Ohio. Hardboard wall panelling is sold primarily in the U.S. Trade names include Glaztile®, a new product which has the appearance of ceramic tile.

Hardboard production in 1984 totaled 514,000 million square feet (½-inch basis).

Hardboard Siding Products—Exterior hardboard siding is manufactured at a plant in Roaring River, N.C. In December of 1984, the company completed an \$8 million expansion project at the Roaring River plant which increased capacity by 25% to 200 million square feet (700 million square feet—½-inch basis) and added a new finishing line allowing the plant to manufacture prefinished lap siding. Products are sold primarily in the U.S.

In 1984, exterior hardboard siding production totaled 597,000 million square feet (½-inch basis).

Plastic Products—Prefinished extruded plastic mouldings and industrial products, which complement

the company's panelling products, are produced at the plant in Middlebury, Indiana.

PROPERTIES

Principal production facilities are located as follows:

Products

Production Facility

Newsprint	Grand Falls, Nfld. Stephenville, Nfld. Chandler, Que. Alma, Que. Iroquois Falls, Ont. Pine Falls, Man. Thunder Bay, Ont. (2) Augusta, Ga.▲ Jonquière, Que. Beauport, Que. Smooth Rock Falls, Ont. Falardeau, Que. L'Ascension, Que. Smooth Rock Falls, Ont.
Groundwood papers	Thunder Bay, Ont. Georgetown, Ont. Lachute, Que. Joliette, Que. Toronto, Ont. Vancouver, B.C.*
Lumber	
Kraft pulp	
Fine, printing, packaging and business papers, wallpaper base stock and specialty papers, etc. Converted products, cartons, bags, etc. school, home, & office supplies.	

Envelopes

	Montreal, Que.* Toronto, Ont. Winnipeg, Man. Calgary, Alta.* Vancouver, B.C.* Lachute, Que.
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Grocery bags, paper sacks, paper towels & folding cartons

Industrial hardboard, prefinished woodgrain panelling & decorative panelling	Alpena, Mich. Toledo, Ohio
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Hardboard siding

Plastic mouldings	Roaring River, N.C. Middlebury, Indiana
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▲50% owned.

*Leased or sublet.

Mineral Resources—Mattabi Mines Limited—40% owned by Abitibi-Price, 60% owned by Noranda Inc. The Mattabi mine is located in Block 7, 130 miles northwest of Thunder Bay, Ont. and has been producing zinc, copper, silver and lead concentrates since 1972. Mattabi also treats custom ore.

The company owns mineral rights on approximately 1,000 square miles of freehold forest lands in Ontario, of which approximately 200 square miles are in the Smooth Rock Falls area, north of Timmins, and 800 square mile miles are northwest of Thunder Bay. It also holds long-term mineral rights covering more than 2,300 square miles in central Newfoundland where the Buchans mine, which had been in production for over 50 years, closed permanently in 1984.

The company also has limited involvement in mining and mineral exploration activities in Canada, largely on lands where it holds both timber and mineral rights.

Energy Supply—The company produces approximately 43% of its electric power requirements in Canada through its own generating plants and steam turbines in its mills. Generating plants are located on the Abitibi and Mattagami Rivers in Ontario, in the Saguenay-Lake St. John area of Quebec, and on the Exploits River in Newfoundland. The company also generates electric power from wood refuse-burning facilities at Smooth Rock Falls, Ont.

Approximately 45% of the company's energy requirements are supplied by electricity, 21% by oil, 11% by natural gas, 18% by wood refuse and 5% by coal.

Research and Development—The company has research centres in the Sheridan Park Research Community, Mississauga, Ont., at the mill in Jonquière, Que. and at the U.S. Research and Design Center for Building Products in Troy, Mich.

CAPITAL EXPENDITURES

Capital expenditures (excluding expenditures relating to the Augusta, Ga. newsprint joint venture) have been as follows in recent years:

1975	\$71,041,000	1980	\$216,517,000
1976	54,371,000	1981	195,233,000
1977	43,580,000	1982	180,411,000
1978	59,163,000	1983	165,256,000
1979	148,100,000	1984	126,253,000

Capital expenditures for 1984 included the completion of two major projects, the conversion of the Beauport, Que. mill from newsprint to groundwood papers and the construction of the new newsprint machine at Iroquois Falls, Ont., as well as the installation of a bisulphite chemi-mechanical pulping facility at the Chandler, Que. newsprint mill, the conversion of additional newsprint machines to twin-wire configuration and a 25% expansion of capacity of the Roaring River, N.C. hardboard siding plant.

Capital expenditures for 1985 were expected to be \$225 million and include the installation of an off-machine coater at the Thunder Bay, Ont. fine papers mills, additional conversions to twin-wire configuration, rebuilding of a newsprint mill at Grand Falls, Nfld., commencement of a \$138 million project to upgrade the Jonquière, Que. mill to enable it to produce supercalendered paper and the simultaneous conversion of one of the Alma, Que. newsprint machines to the production of groundwood papers.

HISTORY

Incorporated as Abitibi Power & Paper Company Limited under Dominion charter on Feb. 9, 1914 (continued under the Canada Business Corporations Act through Certificate of Continuance dated Oct. 15, 1979) to take over the assets and undertakings of the Abitibi Pulp & Paper Co., Limited, which had been incorporated on Dec. 4, 1912. In return for the transfer of this company's assets, etc., \$1,000,000 7% preferred and \$5,000,000 common stock were paid.

Prior to Jan. 1, 1928, the company had acquired the entire capital stock of the following companies:

Abitibi Land & Forests, Limited, Abitibi Transportation & Navigation Co., Ltd., Iroquois Falls Merchandising Co., Ltd., and Abitibi Fibre Company, Ltd., all of which were absorbed in 1928 and charters surrendered. Also acquired were Iroquois Falls Drug Co. Ltd. (disposed of Jan. 1, 1947), Abitibi Electric Development Co. Ltd. (absorbed in 1949), Mattagami Railroad Co., Ltd., and Hudson's Bay Power Co., Ltd. The latter was incorporated in 1926 to develop a power site on the Abitibi River. The undertaking was acquired later by the Hydro-Electric Power Commission of Ontario (now Ontario Hydro).

As at Jan. 1, 1928, the company purchased the Spanish River Pulp & Paper Mills, Ltd.; Fort William Power Co., Ltd.; Manitoba Paper Co., Ltd.; Ste. Anne Paper Co. Ltd., and Murray Bay Paper Co., Ltd. (sold in 1933). Basis of acquisition of each was as follows:

Spanish River—188,940 common shares of Abitibi on basis of two Abitibi shares for each Spanish common share, and 88,818 6% preferred and 39,162 common shares of Abitibi for 86,195 7% preferred shares of Spanish. Fort William Power—76,462 Abitibi common shares on share-for-share basis. Manitoba Paper—75,560 Abitibi common shares on basis of 18/25 of an Abitibi share for each Manitoba share. Ste. Anne Paper—83,250 Abitibi common shares on basis of .9 Abitibi share for each St. Anne share. Murray Bay—23,743 Abitibi common shares on basis of one Abitibi share for two Murray shares.

In December, 1928, the company jointly with Canada Power & Paper Corporation, (now Consolidated-Bathurst Limited) acquired the Thunder Bay Paper Company, Limited, through the purchase of its entire common stock. In January, 1932, a payment due by Canada Power & Paper was defaulted and Abitibi entered into an agreement to purchase the entire capital stock at the amount remaining to be paid under the original contract (\$3,090,000) over 10 years. This agreement was further amended by the receiver in 1933.

As at Jan. 1, 1930, the company acquired all the

common stock (100,000 shares) of Provincial Paper Limited through an exchange of stock on a share for share basis.

On June 1, 1932, the company defaulted its first mortgage bond interest, and was placed in receivership. In the following years, various plans for reorganization of the company were advanced, but none gained necessary approval. In 1943, a committee was appointed by the premier of Ontario to chart a course whereby the company might be taken out of receivership. A plan of reorganization was prepared under date of May 10, 1945, which received all necessary approval, and the receivership terminated Apr. 30, 1946. (See also under "1945 Plan of Reorganization.")

In 1933, the G. H. Mead Company, which had been acting as sales agent for Abitibi was purchased for \$750,000 in cash and receiver's certificates.

In December, 1942, Kalamazoo Vegetable Parchment Co. of Kalamazoo, Mich., made an offer of \$975,000 cash for the assets of the Espanola division, and the right to cut timber from certain lands within the so-called Spanish reserve areas, under condition that no newsprint, or for 15 years no sulphite pulps, be produced in competition with those produced by Abitibi. Under court approval, the sale was completed on Jan. 15, 1943. Book loss on the transaction amounted to \$8,443,591.

1945 Reorganization Plan—Reorganization plan dated May 10, 1945, submitted by the Hughes Committee was approved unanimously by common, 6% preferred, 7% preferred shareholders and unsecured creditors at meetings held in October, 1945, and by the 5% first mortgage bondholders on Mar. 15, 1946. Court approval was obtained in March, 1946 and confirmed by S.L.P. dated Apr. 15, 1946. The receivership was terminated Apr. 30, 1946.

Under the plan, all the securities of the company were exchanged for new securities on the following basis:

Holders of each \$1,000 principal amount of 5% first mortgage bonds received \$1,100 principal amount of new 5% first mortgage bonds, dated June 1, 1944 (of which \$525 was for principal, \$500 for interest and \$75 for interest on interest). On June 1, 1932, when default occurred, \$48,267,000 of 5% first mortgage bonds, due 1953, was outstanding. By June 1, 1944, three repayments, totaling Cdn\$420,000 on principal and US\$378.38 on interest, had been made per \$1,000 bond by the receiver and manager. These payments, under court order dated June 10, 1944, were credited in the company's books in the equivalent of U.S. funds.

Unsecured creditors received in cash 100 cents on the dollar of their claims proved in the winding up proceedings (exclusive of interest). These claims were settled at \$733,370.

Holders of each of the 10,000 outstanding 7% preferred \$100 par shares received five new \$2.50 prior preferred shares of \$20 par. All dividend arrears on the 7% preferred, amounting to \$89.25 at July 1, 1944, were cancelled.

Holders of each of the 348,818 outstanding 6% preferred shares, \$100 par, received four new \$1.50 preferred shares of \$20 par and two new common of no par value. All dividend arrears on the 6% preferred, amounting to \$79.50 per share at July 1, 1944, were cancelled.

One of the issued common shares, registered in the name of R. S. McPherson, liquidator, was cancelled and holders of the remaining 1,088,116 outstanding shares of no par value received $\frac{1}{2}$ share of new no par value common stock for each old share.

To ensure continuity of management until the long-term debt was substantially reduced, the plan provided that seven of the 11 directors should be elected on behalf of the bondholders and four on behalf of the shareholders. To effect this, an issue of 14 5% preferred shares of \$100 par was created. Each of the seven class "A" directors held two of these shares.

Following refunding on Apr. 1, 1947 of the company's 5% bonds, the company was freed from the restrictions imposed upon it by the 1945 plan of reorganization under which it had been operating since the end of the

receivership on Apr. 30, 1946. The 14 shares of 5% preferred stock became redeemable and were redeemed on June 20, 1947. All directors were then elected by shareholders in the ordinary way.

In August, 1946, the company purchased an additional 250,000 common shares of Provincial Paper Co. Ltd. at \$16 a share, bringing total investment in that company to 350,000 common shares, the entire issued amount. Accounts were consolidated with those of the parent company in 1949.

In March, 1947, the company announced that a new wholly-owned subsidiary, Abitibi Sales Company Limited, Toronto, had been incorporated to handle parent company sales. The previous sales company, The G. H. Mead Company, Dayton, Ohio, was dissolved in 1948.

Early in 1949, the assets of Kamistiquia Power Co. Ltd. were sold to the Hydro-Electric Power Commission of Ontario (now Ontario Hydro) for \$5,000,000.

Late in 1950, the company acquired about 98% of the common stock of British Columbia Pulp & Paper Co. Ltd., which was carried in the balance sheet at Dec. 31, 1950, at \$19,639,000. B.C. Pulp & Paper subsequently acquired from the Koerner interests all their Alaska Pine group of companies, and the name of B.C. Pulp & Paper was changed to Alaska Pine & Cellulose Co. Ltd. Abitibi sold to the Koerner interests its holdings in Alaska Pine & Cellulose in excess of 50%. On Dec. 15, 1954, Abitibi and the Koerner interests each sold 40,000 common shares to Rayonier Inc. of New York. Abitibi received \$9,838,281 (a gain of \$2,638,281), and retained 10,000 shares.

In January, 1957, Abitibi disposed of its remaining holding of 10,000 shares of Alaska Pine in exchange for 125,000 Rayonier Inc. shares, which at that date had an approximate market value of \$3,937,500. In October, 1958, the company sold its 125,000 shares of Rayonier Inc. for \$2,308,268.

In February, 1960, the company purchased all the common stock of Pembroke Shook Mills Ltd. (subsequently named Abitibi Containers Ltd. and now operated as a division of the parent company) for \$3,100,000.

On May 31, 1963, the company purchased, for 63,903 common shares, the business and assets of Miratile Manufacturing Company of Chicago. The business was merged with Abitibi Corp. and became a division of that company. On July 12, 1963, the company acquired the business and assets of Maple Leaf Veneer Co. Ltd. of Durham, Ont. This company was later named Abitibi Panel Products Ltd.

In 1965, the company's head office was transferred from Iroquois Falls, Ont. to Toronto.

By S.L.P. dated Dec. 1, 1965, the company's name was changed from Abitibi Power & Paper Company Limited to Abitibi Paper Company Ltd.

In 1967 the company's former head office building in Toronto, was sold for \$3,014,000.

On Sept. 1, 1967, the company acquired controlling interest in Inter City Papers Limited, and subsequently complete ownership of this wholesale distributor of fine papers.

In the first quarter of 1967, the company purchased all the outstanding shares of Hilroy Envelopes & Stationery Limited for cash and 50,000 common shares of Abitibi.

In March of 1968 the company formed a wholly owned subsidiary, Abitibi Holdings, Inc., and through it effected the purchase of all the outstanding shares of Cox Newsprint, Inc. and Cox Woodlands Company for a total consideration of US\$36,578,702. The purchase price consisted of \$28,347,311 in cash, a \$5-million 4% promissory note of Abitibi Holdings, Inc., and 400,000 common shares of Abitibi Paper Company Ltd.

In March, 1968, the company acquired Clarendon Paper Sales Co.

In June, 1969, the company acquired a hardboard producing plant at Blountstown, Florida, for \$3,340,100 of which \$3,233,400 was to be paid over the long-term with interest at 5% per annum.

In March, 1970, the company acquired all the outstanding shares of Neville Papers Ltd., an Ottawa-based fine paper distributor, for \$250,000, satisfied by

the issuance of 20,000 common shares. Ownership was immediately transferred to subsidiary, Inter City Papers Limited.

Mattabi Mines Limited was incorporated late in 1970 to take title to mineral rights on Abitibi freehold lands about 130 miles northwest of Thunder Bay, Ont. Mattabi is owned 40% by Abitibi and 60% by Mattagami Lake Mines Limited.

In 1971, Abitibi Newsprint Corporation was formed as a wholly owned sales company, to be the exclusive outlet in the United States for all Canadian and U.S. produced newsprint.

In August, 1972, the company, through its wholly owned subsidiary, Inter City Paper Limited, acquired all outstanding common shares of Lauzier Paper Limited, a fine paper merchant with headquarters in Montreal. The company also acquired the envelope business of Provincial Envelope Inc. during 1972.

Effective Jan. 1, 1973, Hillier Paper Limited, a Manitoba fine paper merchant with headquarters in Winnipeg, became a wholly-owned subsidiary. The company sold its veneer and plywood plant at Durham, Ont. in 1973, to a new incorporated company, Interforest Ltd., which was owned jointly by Abitibi and the Danzer Group of West Germany.

During 1973, the company acquired all the outstanding shares of United Paper Mills Limited and a 50% interest in Middlebury Mouldings Inc. and sold its interest in Tiffin Enterprises Inc. Also in 1973, the operations of Lauzier Paper and T. B. Little were merged under the name of Lauzier Little Inc.

In early 1974, the company entered into an agreement with Jannock Corporation Limited to acquire, effective July 2, 1974, all the shares of Northern Wood Preservers, Limited. Also in 1974, the company acquired all outstanding shares of Pope & Talbot Ontario Ltd., now called Abitibi Lumber (Hudson) Ltd. This acquisition included 1½ million acres of licensed wood resources.

In late 1974 and early 1975, the company purchased 54% of the outstanding common shares of The Price Company Limited for a total cash consideration of approximately \$130,109,000. An initial offer of \$18 per common share of Price was subsequently increased by the company to \$25 per share.

In 1975, Abitibi-Price Sales Ltd. was jointly formed by the company and The Price Company Limited.

Also in 1975, the company sold its remaining interest in Interforest Ltd. to the Danzer Group.

In April, 1976, Abitibi-Price Lumber Ltd., a jointly-owned subsidiary of the company and The Price Company Limited, commenced operations.

In 1977, the company disposed of Abitibi Lumber (Hudson) Ltd.

Effective July 1, 1978, the company purchased Price Wilson Limited, a wholly owned subsidiary of The Price Company Limited for \$7.3 million. Price Wilson was subsequently merged with Inter City Papers Ltd., a wholly-owned subsidiary of Abitibi.

On Oct. 13, 1978, the company purchased 1,010,996 of the outstanding common shares of The Price Company Limited from Consolidated-Bathurst Inc., for \$23 per share, and a further 3,114,580 shares were acquired from Price's remaining common shareholders following a cash offer of \$23 per share on Oct. 25, 1978. At Dec. 31, 1978, Abitibi owned 8,897,727, or 98.6% of the 10,037,761 outstanding common shares of Price. The investment was largely financed by the issue of \$75 million of floating rate preference shares through a wholly owned subsidiary of Abitibi, in November, 1978. At Dec. 31, 1979, proceedings were under way to acquire the balance of the outstanding shares of The Price Company Limited, through invocation of the provisions of Section 48 of The Companies Act (Quebec).

On Dec. 21, 1978, the company purchased all the outstanding shares of Labrador Linerboard Limited from the Province of Newfoundland for \$6 million cash and \$37.5 million of noninterest bearing promissory notes maturing Dec. 31, 1979. Of the notes, \$27,500,000 were replaced on Dec. 31, 1979, by issuance of 550,000 series D preferred shares. As a

condition to the agreement, the company will convert the existing linerboard mill to a newsprint mill, with production to commence prior to October, 1981.

Effective Oct. 15, 1979, following approval by shareholders, the company was continued under the Canada Business Corporations Act, and its name was changed from Abitibi Paper Company Ltd. to Abitibi-Price Inc. Also during 1979 the company sold a wholly-owned subsidiary, Price-Skeena Forest Products Ltd., which operated a sawmill in British Columbia, and disposed of its packaging plants, the Canadian building products operation, and a plywood converting plant in California.

In January, 1981, the company completed the sale of its 50% interest in Boise-Price Southern Newsprint Corporation for US\$15 million, which had been negotiated in the latter part of 1980, resulting in a gain of \$6,854,000 (net of income tax) included in the 1980 earnings.

In February, 1981, Federal Commerce and Navigation Ltd. offered to acquire up to 2,250,000 common shares of the company to increase its total holdings to approximately 20%. This offer was subsequently withdrawn and Olympia & York Investments Limited of Toronto proposed to make an offer of \$28 per share for up to 6,750,000 of the common shares. Federal Commerce then agreed to purchase 1,821,100 common shares of the company from Consolidated-Bathurst Inc., and 600,000 common shares from Caisse de Depot for \$28 per share, giving Federal an approximate 21% interest. Late in February, Nu-West Group Ltd. and Thomson Newspapers Ltd. announced their intention to make an unconditional joint offer for up to 8,500,000 (45.2% interest) of the common shares of the company at \$31 per share. This offer by Thomson and Nu-West was subsequently withdrawn and in March, 1981, Olympia & York Investments Limited acquired 16,772,000 common shares at \$32 per share. Both West Fraser Timber Co. (which held 13% of the outstanding shares) and Federal Commerce and Navigation tendered their shares under the offer.

Subsequently Olympia & York acquired additional common shares of the company, resulting in Olympia & York holding over 92% of the company's common shares as at May 31, 1981.

During 1981, the company and Thompson Newspapers Limited, as equal partners, formed a joint venture to own, operate and expand the company's newsprint operations in Augusta, Ga. In December, 1981, the company sold the existing mill to the partnership for consideration consisting of a note for US\$53,600,000 due early in 1983.

During 1981, the company acquired the remaining shares of The Price Company Limited. Subsequently, on Dec. 31, 1981, the preferred shares of Price were redeemed making it a private wholly-owned subsidiary of the company.

During 1982, the following subsidiaries were wound up into divisions: Abitibi Price Lumber Ltd.; Hilroy Limited; Canadian Stationery Ltd.; Canada Envelope Company and Inter City Papers (Manitoba) Limited. Also, Northern Wood Preservers, Limited was sold.

Abitibi-Price Sales Ltd. was wound up during 1983.

In April, 1984, the company acquired Whitaker Carpenter Paper Company of Chicago, Ill. for approximately \$12 million.

Price Paperboard and Pulp Limited was wound up effective Dec. 31, 1984.

Effective Feb. 28, 1985, the company acquired CIP Daxion Inc. from CIP Inc. for \$28,433,000.

Pursuant to an offer dated Feb. 27, 1985 of one series F preferred share or \$11.50 cash per share, the company acquired 99.89% of the combined class A and B special shares of Barbecon Inc. by the Apr. 15, 1985 expiry date; the balance of the shares was acquired under the provisions of the Ontario Business Corporations Act. Effective date of the acquisition was Apr. 1, 1985. Total consideration given was \$52,800,133 consisting of \$10,475,613 cash plus the issuance of 3,680,393 \$0.94 series F preferred shares valued at \$42,324,520.

In August, 1985, Gulf Canada Limited completed the

acquisition of 84% of the outstanding common shares of the company from Olympia & York Developments Limited at \$21 per share. Gulf Canada reportedly intended to make an unconditional cash offer of \$21 per share to the minority shareholders for the remaining outstanding shares and Olympia & York has agreed to tender under this offer such additional shares as was necessary to increase Gulf Canada's ownership to 90%.

OFFICERS AND DIRECTORS

Officers—R. C. Gimlin, chm.; B. K. Koken, pres. & chief exec. officer; T. N. McLenaghan, sr. v-p; J. K. Stevens, sr. v-p, fin.; K. L. Macdonald, J. I. McGibbon, C. F. Buckland, J. G. Davis, R. Y. Oberlander, group v-p's; W. W. Hall, v-p, mktg.; J. B. Papoe, v-p, mfg., region I; W. J. Johnston, v-p, mfg., region II; T. M. Devine, v-p, mfg., region III; S. E. McGurk, v-p, eng.; J. A. W. Woodley, v-p, personnel; J. A. McGregor, v-p, mineral resources; J. F. Allison, v-p, industrial rel.; S. A. Paul, v-p, corp. communications; M. T. Neill, v-p, research & devel.; M. D. Thompson, v-p, gen. counsel & sec.; J. G. Maw, v-p & treas.; H. C. Warner, v-p & cont.; D. J. Butler, J. E. Gebbie, asst. secs.; R. A. Cook, D. J. McMullan, Bernard Conway, asst. treas.'s

Directors—T. J. Bell, E. C. Bovey, B. K. Koken, R. C. Gimlin, Albert Reichmann, Paul Reichmann, Ralph Reichmann, D. A. Ward, C. E. Medland, K. R. Thomson, G. I. Newman, J. A. Tory, Toronto; Marcel Bélanger, Quebec City; F. J. Ryan, St. John's, Nfld.; H. W. Blauvelt, Charlottesville, Va.; P. G. Tremblay, Chicoutimi, Que.

PRINCIPAL SUBSIDIARIES AND DIVISIONS

(Wholly owned unless otherwise indicated)

Abitibi-Price Sales Corporation—New York, N.Y., Des Plaines, Ill., Atlanta, Ga., Detroit, Mich. and Dallas, Tex. J. G. Davis, chm. Sells newsprint and groundwood papers in the United States and offshore markets. A wholly-owned subsidiary, **Abitibi-Price Sales Company Limited** London, England, sells newsprint and uncoated groundwood papers in the United Kingdom.

Abitibi-Price Lumber Sales Division—Toronto-Dominion Centre, Toronto, Ont. M5K 1B3. J. A. W. Hatch, gen. mgr.

Abitibi-Price Corporation—Troy, Mich. C. F. Buckland, pres. Responsible for all business activities in the United States.

La Compagnie Price Limitée—65 Ste. Anne St., Quebec City, Que. G1R 3X5. W. J. Johnston, pres. Engaged in the production and distribution of newsprint, lumber, pulp, paper and allied products. Other interests include base metal mining operations in Newfoundland.

Barbecoon Inc.—Toronto. Canada's largest envelope manufacturer and a major distributor of printing papers. Operates eight plants across Canada.

Hilroy Division—R. A. Donaldson, pres. Engaged in the production of stationery and home, school and office supplies.

Canada Envelope Division—P. J. Bowles, pres.

Inter City Papers Limited—Jeff Chipman, pres. Engaged in wholesale distribution of fine printing papers and bookbinders' supplies. Subsidiaries and divisions include **Azerty** in Buffalo, N.Y.; **Lauzier, Little Inc.** in Montreal and Quebec City, Que.; **Whitaker Carpenter Paper Company** in Chicago; **CIP Daxion Inc.**; **Price Wilson Division**, a wholesale distributor of industrial papers and products; **Plastic Packaging Division**; **Lawrence Newfoundland Division**, St. John's, Nfld.; and **Price Wilson, Inc.**, Lachute, Que.

Provincial Papers Division—J. R. Langevin, pres. Engaged in the manufacture and sale of fine papers.

JOINT VENTURES

Mattabi Mines Limited—40% owned by the company; 60% owned by Noranda Inc. Owns and operates the Mattabi mine, northwest of Thunder Bay, Ont.

Augusta Newsprint Company—A joint-venture partnership owned 50% by the company and 50% by Thomson Newspapers Limited. Owns and operates a newsprint mill in Augusta, Ga.

CAPITAL STOCK

Preferred	Author.	Outstand.
7½% Series A		144,300 shs.
Series C		1,500,000 shs.
\$0.94 Series F		3,680,393 shs.
Class A	Unlimited	nil
Common	Unlimited	63,930,387 shs.

As at Dec. 31, 1984, but giving effect to the redemption of all outstanding 10% series B preferred shares on June 16, 1985; the issuance of 3,680,393 \$0.94 series F preferred shares on acquisition of Barbecoon Inc. in April, 1985; and the 3-for-1 common stock split, effective May 1, 1985.

Preferred—Total authorized amount is an unlimited number of preferred shares, without par value, issuable in series.

General Provisions—Each series of preferred shares ranks on a parity with every other series and in priority to the class A and common shares. Non-voting unless eight quarterly dividends in arrears when entitled to the number of votes determined by dividing the aggregate consideration stated for preferred shares held by \$50. Provisions of preferred shares may be altered only with the approval of at least two-thirds of the votes cast at a meeting at which holders of preferred shares representing a majority of the aggregate consideration stated for all preferred shares then outstanding are present.

7½% Preferred, Series A—Entitled to fixed cumulative preferential cash dividends of \$3.75 per share per annum, payable quarterly on the first day of Mar., June, Sept. and Dec.

In liquidation, dissolution, etc., entitled to \$50 per share plus accrued dividends; if voluntary, entitled to \$52 per share prior to June 1, 1983 and \$51 per share thereafter.

Redemption—Redeemable on and after June 1, 1978, in whole or in part on 30 days' notice at \$52 per share on or before May 31, 1983, and thereafter at \$51 per share, together in each case with accrued and unpaid dividends; entitled to same in the event of voluntary liquidation, etc. In the event of involuntary liquidation, etc., entitled to \$50 per share plus accrued and unpaid dividends.

The company may at any time purchase for cancellation the whole or any part of the series A preferred shares at prices not exceeding \$60 per share plus accrued and unpaid dividends and costs of purchase.

Purchase Fund—On June 1, 1970, and each year thereafter the company will credit to a purchase fund for the cancellation of the series A preferred shares the sum of \$200,000, less amounts previously set aside but not applied. The fund will be used to purchase series A preferred shares at not exceeding \$50 per share plus costs of purchase.

Voting—Nonvoting unless the aggregate of eight quarterly dividends in arrears, when entitled to one vote per share until all arrears have been paid.

Additional Issues—The company may not create any class of shares ranking in priority or on a par with the preferred shares. Except with the approval of series A shareholders, no additional preferred shares may be issued unless the average consolidated net earnings (as defined) of the company and its subsidiaries for the two immediately preceding fiscal years shall have been at least equal to three times the annual dividend requirements on all preferred shares to be outstanding.

Purpose of issue—Net proceeds applied in the amount of approximately \$8,150,000 for repayment of bank borrowings invested in subsidiaries in the United States and \$1,087,000 applied for repayment of bank borrowings incurred for purchase of certain forest lands in Michigan.

Offered—In June, 1968, 200,000 shares offered at \$50 per share by a group headed by Wood Gundy Securities Ltd.

Floating Rate Retractable Preferred, Series C—Entitled to a cumulative preferential dividend payable at a floating rate of one-half of the average prime rate of the five largest Canadian chartered banks plus 1%, with a maximum dividend rate of 9% (\$4.50 per share) per annum.

Redemption—Redeemable at the company's option at \$50 per share plus accrued dividends after Jan. 1, 1981.

Retraction—Retractable at holder's option at \$50 per share plus accrued dividends on Jan. 1, 1990.

Issued—On Nov. 21, 1979, 1,500,000 series C shares were issued at \$50 per share in substitution for \$75,000,000 preferred shares having similar terms which were issued in 1978 by a wholly-owned subsidiary of the company.

\$0.94 Retractable Preferred, Series F—Entitled to fixed cumulative preferential cash dividends of 94 cents per share per annum payable quarterly on the last day of Mar., June, Sept. and Dec.

In the event of liquidation, dissolution or winding-up, etc., entitled to \$11.50 per share plus accrued dividends.

Redemption—Redeemable at the company's option on at least 30 days' notice at \$13 per share if redeemed on or after Apr. 1, 1985 and on or before Dec. 31, 1986; thereafter and on or before Dec. 31, 1987 at \$12 per share; thereafter and on or before Dec. 31, 1989 at \$11.75 per share; and thereafter at \$11.50 per share; in each case plus accrued dividends.

On and after Apr. 1, 1985, the company may at any time purchase all or any part of the series F preferred shares in the open market or by tender at a price per share not exceeding the then current redemption price plus reasonable costs of purchase.

Retraction Privilege—Retractable at the holder's option on at least 30 days' notice on Jan. 1, 1987 and on each Jan. 1 thereafter at \$11.50 per share plus accrued dividends.

Voting—See under General Provisions.

Offered—A total of 3,680,393 series F shares with a stated value of \$11.50 per share were issued share-for-share in exchange for class A and class B special shares of Barbecon Inc. pursuant to an offer dated Feb. 27, 1985 which expired on Apr. 15, 1985 (as extended).

Class A—Not entitled to receive dividends. Rank junior to the preferred shares in the event of liquidation, dissolution, etc., subject to the prior rights of the preferred shares, entitled to the paid-up value per share before any distribution can be made to holders of common shares. Prior to the company's decision to discontinue its optional stock dividend plan in mid-1985, the class A shares were issuable to holders of common stock in lieu of cash dividends, at the holder's option. Class A shares must be redeemed by the company at their paid-up value within 15 days of the date of issue. Non-voting.

Common—Entitled to one vote per share.

CHANGES IN CAPITAL STOCK

On incorporation in 1914, authorized capital comprised \$2,000,000 in \$100 par 7% cumulative, non-callable preferred stock and \$5,000,000 \$100 par common. \$1,000,000 of the preferred and all the common stock was issued in exchange for assets of the predecessor company.

In April, 1920, common shares were split into 250,000 no par value shares on the basis of five new shares for each old share.

In February, 1928, common shares were split 2-for-1 and the authorized common increased to 1,500,000 shares. An issue of 6% cumulative preferred stock was created and both preferred and common shares were issued in exchange for shares of certain companies acquired as of Jan. 1, 1928, as outlined under "History". In April, 1928, \$16,000,000, and in May, 1928, \$10,000,000, of 6% preferred stock was sold for cash.

In January, 1930, 100,000 common shares were issued for Provincial Paper Limited; whereupon outstanding capital stock comprised 10,000 shares 7% preferred; 348,818 shares 6% preferred; and 1,088,117 common shares.

Under the plan of reorganization in 1945, the outstanding 7% \$100 par preferred, 6% \$100 par preferred and no par value common shares were exchanged for new securities. (See under History, 1945 Plan of Reorganization).

The outstanding 50,000 prior preferred shares were called for redemption on Aug. 1, 1949, at \$37.50 per share and accrued dividends. These shares had been issued under the 1945 plan of reorganization.

At a special meeting on Apr. 13, 1950, shareholders approved a reduction in the authorized capital stock to 1,291,796 preferred shares, \$1.50 par, and 1,241,694 common shares, n.p.v. A capital surplus of \$3,069,520, resulting from redemption of the prior preferred shares and purchase for cancellation of 103,476, \$1.50 preferred shares, was restored to earned surplus.

In November, 1949, the directors authorized purchase of 1.50 preferred shares in the open market, for redemption, as the opportunity should arise. To June 30, 1951, 344,856 shares had been so redeemed.

In April, 1951, authorized common stock was increased to 6,000,000 shares and the outstanding shares were split on a 3-for-1 basis. At June 30, 1951, outstanding common shares were 3,725,082.

At a special meeting held June 30, 1954, shareholders approved the redemption of the outstanding \$20 par, \$1.50 preferred shares; and the creation of 1,000,000 preferred shares of \$15 par value issuable in series. The 1,050,416 \$1.50 preferred shares were called for redemption on July 30, 1954, at \$25 per share. These shares had been issued under the 1945 plan of reorganization. To provide in part funds for the redemption of these shares 550,000 4 1/4% preferred shares, 1954 series, of \$25 par value were sold in June 1954 at \$24.25 per share.

During 1954, 24,468 common shares were issued as a result of conversion of 4 1/4% debentures; and 44,850 shares under options granted to senior executives.

In 1955, 353,668 common shares were issued in January, upon conversion of 4 1/4% debentures; and 15,150 shares upon exercise of options.

To Dec. 31, 1961, 153,663 preferred shares had been redeemed in accordance with the redemption provisions.

In 1962, a further 22,765 preferred shares were redeemed and 3,466 common shares were issued through exercise of options.

By S.L.P. dated Nov. 30, 1963, common shares were split on a 4-for-1 basis. During 1963, the equivalent of 304,372 subdivided shares were issued: 255,612 for business and assets of Miratile Manufacturing Co., 40,600 for \$391,800 cash under the option plan, and 8,160 on conversion of \$102,000 principal amount of debentures. A further 13,954 preferred shares were redeemed, leaving 359,618 preferred and 16,971,108 common shares outstanding at Dec. 31, 1963.

During 1964, 324,880 common shares were issued on conversion of \$4,061,000 principal amount of debentures and 69,000 common shares were issued under the option plan.

All outstanding 4 1/4% preferred shares were redeemed on Dec. 31, 1964, at \$25 per share and accrued dividends of 28 1/2 cents per share.

By S.L.P. dated Apr. 21, 1965, the authorized capital was decreased to 450,000 preferred shares, \$25 par, and 24,000,000 common shares, no par value, through cancellation of the previously issued and redeemed 550,000 4 1/4% preferred shares, 1954 series.

During 1965, 6,720 common shares were issued on conversion of \$84,000 principal amount of debentures, and 2,000 common shares were issued upon exercise of options.

In 1966, 6,240 common shares were issued on conversion of \$78,000 principal amount of debentures and 25,436 common shares were issued upon exercise of options.

By S.L.P. dated May 11, 1968, the 450,000 authorized preferred shares of \$25 par value were consolidated into 225,000 preferred shares of \$50 par value and an additional 775,000 preferred shares of \$50 par value were created, bringing the total authorized preferred shares to 1,000,000. By S.L.P. dated June 6, 1968, 200,000 preferred shares were issued and designated as 7 1/2% cumulative redeemable preferred shares, series A.

In the first quarter of 1968, 50,000 common shares were issued as part consideration for Hilroy Envelopes

& Stationery Limited, and 400,000 shares as part consideration for Cox Newsprint Inc. and Cox Woodlands Company.

In 1969, 8,000 shares were issued upon exercise of options.

In March, 1970, 20,000 common shares were issued for the acquisition of Neville Papers Limited, operated as a division of Inter City Papers Ltd. Also, during 1970, 200 7 1/2% preferred shares, series A, were redeemed and cancelled and 1,000 common shares were issued under options.

During 1971, 4,695 preferred shares were redeemed and cancelled.

During 1972, 125 preferred shares were purchased and cancelled, 14,780 common shares were issued under options and 53,918 common shares were issued as part consideration in the acquisition of Lauzier Paper Ltd.

During 1973, 750 preferred shares were purchased for cancellation, and 144,193 common shares were issued under options.

During 1974, 4,850 7 1/2% preferred shares were purchased for cancellation and 94 common shares were issued under options.

In June, 1975, 800,000 10% preferred shares series B of \$50 par value were offered and sold to the public at \$50 per share. Also during 1975, 4,150 7 1/2% preferred shares were purchased for cancellation.

During 1977, 4,020 7 1/2% preferred shares series A, and 40,000 10% preferred shares, series B, were purchased for cancellation. Also during 1977, 267 common shares were issued under options and in August, 1977, 448,686 common shares were issued as consideration for the purchase of an equal number of common shares of The Price Company Limited.

In fiscal 1978, 2,000 7 1/2% preferred shares series A, and 40,000 10% preferred shares, series B, were purchased for cancellation. Also during 1978, 121,168 common shares were issued under options.

During 1979, 4,300 series A preferred and 40,000 series B preferred shares were purchased or redeemed and cancelled; 32,786 common shares were issued on exercise of options. Also on Nov. 21, 1979, 1,500,000 series C preferred shares were issued at \$50 per share.

During 1980, 3,890 preferred shares, series A, and 57,700 preferred shares, series B, were redeemed. Also, 82,523 common shares were issued under stock option plan and 28,355 common shares were issued under stock dividend elections.

In February, 1981, 2,000,000 preferred shares, series E, were created and issued to the public. Subsequently, 1,790,592 of the preferred shares, series E, were converted into common shares. Also 101,373 common shares were issued under options and 9,503 as stock dividends. Shares redeemed in 1981 comprised 4,700 preferred shares, series A, 54,979 series B and 137,500 series D preferred shares.

During 1982, the following shares were redeemed, 7,500 preferred, series A; 14,634 preferred, series B; 137,500 preferred, series D; 6,350 series E preferred shares. Also, 7,912 common shares were issued under options and 1,997 common shares were issued on conversion of preferred shares.

During 1983, 5,900 series A, 32,687, series B, 137,500, series D and 170 series E preferred shares were redeemed. Also, 200 series E preferred shares were converted into 181 common shares, 4,575 common shares were issued as stock dividends and 5,274 common shares were issued under options.

During 1984, 3,700 series A and 40,000 series B preferred shares were purchased for cancellation, 557,962 common shares were issued as stock dividends, 5,084 common shares were issued under options and 13,768 common shares were issued on conversion of 13,768 \$2.17 series E convertible preferred shares.

On Dec. 1, 1984, all outstanding \$2.17 convertible preferred shares, series E, were called for redemption at \$26.25 per share.

On Dec. 31, 1984, the remaining 137,500 series D preferred shares were redeemed at \$50 per share.

Capital stock outstanding at Dec. 31, 1984 comprised 144,300 series A, 440,000 series B and 1,500,000 series C preferred shares and 21,310,129 common shares.

Effective May 1, 1985 the common shares were split on a 3-for-1 basis.

In April, 1985, 3,680,123 \$0.94 cumulative redeemable retractable preferred shares, series F, were issued on the acquisition of Barbecon Inc.

PRICE RANGE OF STOCK

Preferred, Series A

Year	High	Low	Year	High	Low
1975	\$45.00	\$37.13	1980	\$44.00	\$35.00
1976	42.00	37.13	1981	39.00	26.00
1977	48.00	39.50	1982	33.00	24.50
1978	50.75	47.00	1983	41.00	33.00
1979	50.50	40.25	1984	43.00	37.25

Preferred, Series B

Year	High	Low	Year	High	Low
1975*	\$50.88	\$48.25	1980	\$52.50	\$47.00
1976	52.00	49.50	1981	50.00	33.00
1977	56.25	51.00	1982	43.00	34.50
1978	56.00	52.75	1983	52.00	44.00
1979	56.00	50.75	1984	51.75	48.50

*Listed Aug. 5.

Common

Year	High	Low	Year	High	Low
1975	\$11.63	\$8.25	1980	\$26.88	\$17.50
1976	13.63	8.63	1981	32.25	19.13
1977	11.50	8.75	1982	22.63	15.00
1978	20.25	10.13	1983	25.75	18.00
1979	21.38	16.63	1984	34.00	24.50

DIVIDENDS

Note—Covenants entered into in connection with the issue of debentures and preferred shares include certain restrictions on the payment of dividends. Under the most restrictive of these provisions, dividends subsequent to Dec. 31, 1969 may be not more than consolidated net income earned after that date (as defined) plus an amount of \$20,000,000.

7 1/2% Preferred, Series A—Entitled to fixed cumulative preferential dividends of \$3.75 per share per annum. An initial dividend of 67.8082 cents per share was paid Sept. 1, 1968; 93% cents per share was paid Dec. 1, 1968, and regularly quarterly since.

Dates payable—Mar., June, Sept. and Dec. 1.

Preferred, Series C—Entitled to cumulative preferential dividends payable at a floating rate of one-half of the average prime rate of the five largest Canadian chartered banks plus 1%, with a maximum dividend rate of 9% (\$4.50) per annum. Shares placed privately.

\$0.94 Preferred, Series J—Entitled to fixed cumulative preferential dividends of 94 cents per share per annum payable quarterly on the last day of Mar., June, Sept. and Dec. Initial dividend of 17% cents per share paid June 30, 1985; 23% cents to be paid Sept. 30, 1985 and regularly quarterly thereafter.

Common—An annual rate of 60 cents per share was established with the quarterly dividend of 15 cents per share paid July 31, 1985 (first following the 3-for-1 stock split). Previously, a quarterly dividend of 45 cents (pre-split) per share was paid on Apr. 30, 1985.

Initial dividend on the no par value stock, paid at the rate of \$4 per annum on Apr. 20, 1928, followed by similar payments on July and Oct. 20. None thereafter until dividends were resumed with payment of 25 cents on Apr. 1, 1949, and paid to and including Dec. 1, 1949; 50 cents per share was paid quarterly Jan. 1, to Oct. 1, 1950, inclusive, and 75 cents on Jan. and Apr. 1, 1951.

Following the 3-for-1 stock split in April, 1951, \$1.00 per share per annum was paid quarterly from July 1, 1951 to Oct. 1, 1953, inclusive; \$1.20 per share per annum was paid quarterly from Jan. 1, 1954 to July 1, 1955, inclusive; \$1.50 per share per annum was paid quarterly from Oct. 1, 1955 to July 1, 1956, inclusive; \$1.70 per share per annum was paid quarterly from Oct. 1, 1956 to Jan. 1, 1962, inclusive; \$2.00 per share per annum was paid quarterly from Apr. 2, 1962 to Oct. 1, 1963, inclusive.

Following the 4-for-1 stock split in November, 1963, a rate of 56 cents per share per annum was established with the initial payment of 14 cents per share on Jan. 1, 1964, and was paid regularly quarterly to July 1, 1968, inclusive. A rate of 36 cents per share per annum was paid from Oct. 1, 1968 to July 1, 1970, inclusive. Quarterly payments of 5 cents per share were paid Oct. 1, 1970 and Jan. 1, 1971; 7 cents per share paid on Dec. 1, 1972; 5 cents per share paid on May 1 and Aug. 1, 1973; 7½ cents per share paid on Nov. 1, 1973; 10 cents per share on Feb. 1 and May 1, 1974; 15 cents per share on Aug. 1, 1974. A rate of 80 cents per share per annum was paid quarterly from Nov. 1, 1974 to Aug. 1, 1975, inclusive. A payment of 12 cents per share was made on Dec. 1, 1976; 10 cents per share paid on Aug. and Nov. 1, 1977; 15 cents per share was paid on Feb., May and Aug. 1, 1978; 25 cents per share was paid Nov. 1, 1978 and Feb. 1, 1979; and 35 cents was paid May 1 and Aug. 1, 1979. A rate of \$1.60 per share per annum was paid quarterly from Nov. 1, 1979, to Oct. 29, 1982, inclusive; 30 cents per share was paid on Feb. 1, 1983; an annual rate of 80 cents per share was paid quarterly from Apr. 29, 1983 to Apr. 30, 1984, inclusive; and an annual rate of \$1.60 per share was paid quarterly from July 27, 1984 to Jan. 31, 1985, inclusive. A quarterly dividend of 45 cents per share was paid on Apr. 30, 1985, following which the stock was split on a 3-for-1 basis.

Extra dividend of 15 cents per share was paid Feb. 1, 1979.

4½% Preferred (old)—Was entitled to \$1.12½ per share per annum, payable quarterly, cumulative from Aug. 1, 1954. Initial dividend of 18½ cents paid Oct. 1, 1954; regular 28½ cents paid Jan. 1, 1955, and quarterly to Jan. 1, 1965, inclusive, the final payment following redemption of all outstanding shares on Dec. 31, 1964.

Prior Preferred, \$20 par (old)—Was entitled to \$2.50 per share per annum, payable quarterly, cumulative from Jan. 1, 1945. Initial dividend of \$6.25 per share paid July 1, 1947, eliminating arrears; regular 62½ cents paid Oct. 1, 1947, and regularly thereafter to redemption on Aug. 1, 1949.

Preferred, \$20 par (old)—Was entitled to \$1.50 per share per annum, payable quarterly, cumulative from Jan. 1, 1947. Initial dividend of 75 cents per share paid Aug. 15, 1947; regular 37½ cents paid Oct. 1, 1947, and regularly to July 1, 1954; 12½ cents paid July 31, 1954, on redemption.

5% Preferred (old)—Was entitled to \$5 per annum cumulative from Jan. 1, 1946 and payable quarterly. All redeemed June 20, 1947, following refunding of the 5% bonds issued under the 1945 reorganization.

7% Preferred (old)—Was entitled to \$7 per share per annum cumulative, payable Jan., Apr., July and Oct. 1. Initial dividend paid Jan. 2, 1917; regular quarterly payments made to and including Oct. 1, 1931; none thereafter. Arrears of dividends totaling \$89.25 a share at July 1, 1944, were cancelled in the 1945 Plan of Reorganization.

6% Preferred (old)—Was entitled to \$6 per share per annum cumulative payable Jan., Apr., July and Oct. 20. Initial dividend paid Apr. 20, 1928; regular quarterly payments made up to and including Apr. 20, 1931; none thereafter. Arrears of dividends totaling \$79.50 a share at July 1, 1944, were cancelled in the 1945 Plan of Reorganization.

Preferred, Series B (old)—Was entitled to \$5 per share per annum, cumulative, payable Mar., June, Sept. and Dec. 15. An initial dividend of \$1.15 per share was paid on Sept. 15, 1975; \$1.25 per share paid Dec. 15, 1975 and regularly quarterly to June 15, 1985. All redeemed June 16, 1985.

\$2.17 Convertible Preferred, Series E (old)—Was entitled to cumulative preferential dividends of \$2.17 per share per annum, payable quarterly. Initial dividend of 61.48 cents per share was paid on June 1, 1981; 54½ cents per share paid Sept. 1, 1981 and regularly quarterly to Dec. 1, 1984, inclusive. All outstanding series E shares were called for redemption on Dec. 1, 1984.

LONG-TERM DEBT

Long-term debt outstanding at Dec. 31, 1984, totaled \$424,543,000 including \$4,599,000 due in one year. Sinking fund and other long-term debt repayment obligations for the years 1986 to 1989 are estimated to be \$3,786,000, \$34,110,000, \$24,448,000 and \$20,186,000, respectively, after deducting amounts to be refinanced by Abitibi-Price Refinance Inc. in 1986. Details of debt as follows:

Abitibi-Price Inc.

Sinking Fund Debentures:

		\$000's
5¼% Series A	1985	6,807
7¼% Series B	1987	5,250
9¼% Series D	1990	7,500
10½% Series E	1995	35,275
11% Series F	1995	10,878
11¾% Series G	1995	58,155
10.15% Series H	2000	178,429
15¾% Series I	1991	66,085
		368,379

Abitibi-Price Corporation

6½% indust. rev. bonds	1992	3,341
7% Instal. notes	1988	7,930
		11,271

Abitibi-Price Refinance Inc.

F.R. Term Loan		15,346
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The Price Company Limited

6¾% S.F. Debts., Ser. B	1987	9,747
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Gaspesia Pulp & Paper Co. Ltd.

5½% S.F. Notes	1985	1,494
6% Subord. S.F. Notes	1986	1,057
F.R. Revolv. Loan		10,431
		12,982
Sundry indebtedness		6,818
Total		424,543
Less: Amt. due in 1 yr.*		4,599
		419,944

*Net of amounts to be refinanced.

Provisions of public debt issues are as follows:

7¼% Sinking Fund Debentures, Series B:

Dated Sept. 15, 1967; due Sept. 15, 1987.

Principal and half-yearly interest (Mar. and Sept. 15) and redemption premium, if any, payable in Canadian funds at any branch in Canada of the company's bankers at the holder's option.

Authorized and issued, series B, \$15,000,000; outstanding at Dec. 31, 1984, \$5,250,000.

Denominations—Coupon debentures registrable as to principal only in the denomination of \$1,000 and fully registered debentures in denominations of \$1,000 and authorized multiples thereof.

Trustee—Montreal Trust Co.

Redemption—The series B debentures will not be redeemable in whole or in part to Sept. 15, 1982, for other than sinking fund purposes, from proceeds of any indebtedness which has an effective interest cost to the company or its subsidiaries of less than 7¼% per annum. Subject to the foregoing, the series B debentures are redeemable at the option of the company in whole or in part at any time on 30 days' notice at the following percentages of principal amount, if redeemed on or before Sept. 15 in each year:

1968 .. 107.25	1974 .. 104.85	1980 .. 102.45
1969 .. 106.85	1975 .. 104.45	1981 .. 102.05
1970 .. 106.45	1976 .. 104.05	1982 .. 101.65
1971 .. 106.05	1977 .. 103.65	1983 .. 101.25
1972 .. 105.65	1978 .. 103.25	1984 .. 100.85
1973 .. 105.25	1979 .. 102.85	1985 .. 100.45

and thereafter at par.

Sinking Fund—The company shall provide on or before Mar. 15 in each of the years 1973 to 1987, both inclusive, a sum sufficient to retire on Mar. 15 in each of such years \$750,000 principal amount of series B debentures. The company may purchase series B debentures in the market or by tender or by private contract at any price not exceeding the current redemption price, plus interest and costs of purchase. Such debentures purchased may be applied as a sinking fund credit, at the election of the company.

Security—Direct obligation of company, secured equally and ratably with series A debentures by a

floating charge on all the present and future undertaking, properties, rights and assets (including shares of subsidiaries) of the company in the province of Ontario.

Purpose of Issue—Net proceeds used to increase the company's working capital position in Canada.

Offered—\$15,000,000 in August, 1967, at 100 and accrued interest by Wood Gundy Securities Ltd.

9% Sinking Fund Debentures, Series D:

Dated Apr. 1, 1970; due Apr. 1, 1990.

Principal and half-yearly interest (Apr. and Oct. 1) and redemption premium, if any, payable in Canadian funds at any branch in Canada of the company's bankers at the holder's option.

Authorized and issued, \$15,000,000 series D; outstanding at Dec. 31, 1984, \$7,500,000.

Denominations—Coupon debentures registrable as to principal only in the denomination of \$1,000 and fully registered debentures in denominations of \$1,000 and authorized multiples.

Trustee—Montreal Trust Co.

Redemption—The series D debentures will not be redeemable in whole or in part prior to Apr. 1, 1985, for other than sinking fund purposes, from proceeds of any indebtedness which has an effective interest cost to the company or its subsidiaries of less than 9% per annum. Subject to the foregoing, the series D debentures are redeemable at the option of the company in whole or in part at any time on 30 days' notice at the following percentages of principal amount if redeemed on or before Apr. 1 in each year:

1971 .. 109.75	1977 .. 106.45	1983 .. 103.15
1972 .. 109.20	1978 .. 105.90	1984 .. 102.60
1973 .. 108.65	1979 .. 105.35	1985 .. 102.05
1974 .. 108.10	1980 .. 104.80	1986 .. 101.50
1975 .. 107.55	1981 .. 104.25	1987 .. 100.95
1976 .. 107.00	1982 .. 103.70	1988 .. 100.40

and thereafter at par to maturity, plus accrued interest in each case.

Sinking Fund—An amount sufficient to retire \$750,000 principal amount on or before Apr. 1 in each of the years 1976 to 1989, inclusive. The company may purchase series D debentures in the market or by tender or by private contract at any price not exceeding the current redemption price, plus interest and costs of purchase. Such debentures purchased may be applied at their principal amount as a sinking fund credit.

Security—Same as for series B debentures.

Purpose of Issue—Net proceeds used to the extent of \$9,000,000 for the repayment of bank loans and the balance applied towards working capital.

Offered—\$15,000,000 in March, 1970, at 100 and accrued interest by a group headed by Wood Gundy Securities Ltd.

15.75% Debentures, Series I:

Dated Dec. 15, 1981; due Dec. 15, 1991.

Principal, annual interest (Dec. 15) and redemption premium, if any, are payable in U.S. funds at the Orion Royal Bank Ltd. in London, England, or at the option of the holder at the offices of paying agents outside the United Kingdom and in New York City, N.Y. Interest payments to holders not resident in Canada are not subject to Canadian withholding taxes.

Authorized, issued and outstanding US\$50,000,000 (Cdn\$66,085,000 at Dec. 31, 1984).

Denominations—Issued in bearer form only in denominations of US\$1,000 and US\$5,000.

Trustee—Montreal Trust Co.

Redemption—Not redeemable on or before Dec. 15, 1988. However, if as a result of changes in federal or provincial tax laws the company is required to make additional payments, the company will have the right to redeem all, but not part, of the debentures at par plus accrued interest. After Dec. 15, 1988, redeemable at the option of the company in whole at any time or in part from time to time on not less than 30 days' notice at the following percentages of the principal amount if redeemed during the 12 months ending Dec. 15:

1989	101	1990	100.5
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and thereafter at par plus accrued interest to the date of redemption in each case.

In addition, the company may at any time purchase

the debentures in the open market or by private agreement at any price.

Security—Direct obligation of the company ranking pari passu with all debentures. The debentures are secured equally and rateably by a floating charge on all present and future undertakings, properties, rights and assets of the company.

Purpose of Issue—Net proceeds applied to the general funds of the company.

Offered—On Nov. 18, 1981, at 100 plus accrued interest, if any, by an international syndicate led by Wood Gundy Ltd.

The Price Company Limited

6% Sinking Fund Debentures, Series B:

Dated June 1, 1967; due June 1, 1987.

Principal, premium, if any, and semi-annual interest (June and Dec. 1) payable in lawful money of Canada at any branch of the company's bankers in Canada at the holder's option.

Denominations—Coupon debentures registrable as to principal only in the denomination of \$1,000 and fully registered debentures in denominations of \$1,000 and \$5,000 and authorized multiples of \$5,000.

Authorized and issued \$30,000,000; outstanding at Dec. 31, 1984, \$9,747,000.

Redemption—Series B debentures will not be redeemable prior to June 1, 1982, for other than sinking fund purposes, unless the directors of the company shall have declared by resolution that such series B debentures are not being refunded by, and it is not then the intention to refund such series B debentures by, other indebtedness incurred or to be incurred specifically to refund such series B debentures at an effective interest cost to the company of less than 6% per annum. Subject to the foregoing, redeemable for other than sinking fund purpose in whole or in part at any time at the option of the company on not less than 30 days' notice at the following percentages of principal amount, on or before May 31 in each year:

1968 .. 106.75	1974 .. 104.35	1980 .. 101.95
1969 .. 106.35	1975 .. 103.95	1981 .. 101.55
1970 .. 105.95	1976 .. 103.55	1982 .. 101.15
1971 .. 105.55	1977 .. 103.15	1983 .. 100.75
1972 .. 105.15	1978 .. 102.75	1984 .. 100.35
1973 .. 104.75	1979 .. 102.35	

and thereafter at par to maturity; plus in all cases, accrued interest to date fixed for redemption. Redeemable at par and accrued interest for sinking fund purposes.

Sinking fund—To retire \$1,300,000 principal amount of series B debentures on June 1 in each of the years 1970 to 1986 inclusive. The company is entitled to purchase series B debentures in the open market or by tender or private contract at prices not exceeding current redemption price plus costs of purchase, and debentures so purchased may be tendered to the trustee at par in satisfaction in whole or in part of sinking fund obligations.

Security—Direct obligation of the company but not secured by any mortgage, pledge or other charge.

Other provisions—Same as series A.

Purpose of Issue—Net proceeds applied in part in the repayment of bank indebtedness which amounted to approximately \$16 million as at June 1, 1967, and the balance of the proceeds applied toward capital expenditures.

Offered—In May, 1967, at 100 and accrued interest by a group headed by Royal Securities Ltd.

ACCOUNTING CHANGES

1983—In 1983, the company changed its method of accounting for fixed assets to include in the cost of fixed assets, preproduction and start-up costs relating to capital additions. These amounts were previously written off as incurred. As a result of this change, which was adopted on a retroactive basis, net earnings for 1983 and 1982 were increased by \$14,532,000 and \$2,929,000, respectively, and retained earnings at Jan. 1, 1982 were increased by \$16,654,000 to give effect to the adjustments which relate to prior years.

1982—During 1982, the company changed its method of accounting for (a) tax benefits arising from

the 1978 purchase of Labrador Linerboard Limited and the subsequent conversion of the Stephenville Linerboard mill to a newsprint mill and (b) gains resulting from the sale and transfer of assets to the Augusta joint venture partnership in 1981 and 1982. It was decided to recognize the tax benefits (a) in the earnings of the years in which they were realized and (b) to credit earnings with the gains on the assets in the years in which the underlying transactions became effective. As a result, 1982 and 1981 net income, operations have been decreased by \$4,433,000 and \$5,983,000, respectively, and net incomes have been increased by \$3,452,000 and \$10,211,000, respectively. Retained earnings at Jan. 1, 1981, have been increased by \$71,513,000 of which \$67,147,000 represents extraordinary gains.

INTERIM REPORT

For the six months ended June 30, 1985, net income, operations amounted to \$45,030,000 or 63 cents per share, up 35% from \$33,361,000 or 47 cents per share (adjusted for the 3-for-1 stock split in May, 1985) for the first half of 1984. In the 1984 period an extraordinary loss of \$2,350,000 reduced net income to

\$31,011,000 or 43 cents (post-split) per share. Earnings for the first half of 1985 included the post-acquisition results of CIP Daxion Inc. from Mar. 1 and those of Barbecon Inc. from Apr. 1. Net sales for the 1985 period rose 18% to \$1,243,787,000 from \$1,057,372,000 for the corresponding 1984 half.

Changes in Financial Position:

Funds provided for the six months ended June 30, 1985 totaled \$114,895,000, of which \$102,551,000 was from operations.

Funds used for the six-month period totaled \$129,633,000, of which \$66,613,000 was for capital expenditures, \$32,572,000 represented dividends declared on preferred and common stock and \$22,120,000 was used to retire all outstanding series B preferred shares at \$50 per share. In addition, subsidiary acquisitions totaling \$81,223,000 (\$28,218,000 net of \$53,005,000 working capital acquired) were offset by the issuance of \$42,325,000 of preferred shares.

Working capital decreased by \$14,738,000 during the first half of 1985 to stand at \$394,784,000 as at June 30, 1985.

INTERIM EARNINGS

Fiscal Year	Total Revenue	Net Inc. Oper.	Earns. per ▲Com. Sh.	Total Revenue	Net Inc. Oper.	Earns. per ▲Com. Sh.	Total Revenue	Net Inc. Oper.	Earns. per ▲Com. Sh.
		3 months			6 months			9 months	
	\$000's	\$—		\$000's	\$—		\$000's	\$—	
1978 ..	292,129	14,766	0.25	619,776	31,870	0.53	956,981	54,239	0.92
1979 ..	354,010	21,996	0.35	728,861	55,265	0.91	1,096,951	82,518	1.35
1980 ..	392,620	36,586	0.57	776,294	62,177	1.02	1,037,827	62,824	0.98
1981 ..	410,927	28,051	0.44	877,059	66,743	1.02	1,330,417	100,328	1.52
1982 ..	414,618	22,019	0.31	830,864	45,312	0.65	1,219,129	53,374	0.74
1983 ..	387,305	781	0.02	835,117	10,779	0.11	1,233,776	17,834	0.19
1984 ..	480,295	10,345	0.13	1,072,869	33,361	0.47	1,603,696	48,699	0.68
1985 ..	592,136	23,723	0.34	1,255,408	45,030	0.63			

▲Adjusted throughout for the 3-for-1 stock split effective May 1, 1985.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

Years ended December 31

	1984	1983	1982	1981	1980	1979	1978
	\$000's						
Source of Funds:							
Net income, operations	72,326	38,013	60,973	123,566	83,753	114,104	78,650
Deprec. & depl.	76,825	68,602	68,277	60,860	53,104	49,441	48,307
Deferred income taxes	16,896	3,697	11,327	39,676	14,619	4,085	3,385
Financing exps.			1279	12,713			
Disposal fixed assets	4,812	10,897	11,049	3,187	6,674	3,878	1,792
Issue long-term debt	4,744	18,042	1	59,435	147,832	14,702	27,500
Shares issued			201	99,470	563	102,500	2
Pref. shs. converted			155	149,262			
Minority interest	8,353	3,663	6,065	7,788	4,753	5,706	18,304
Other items (net)	11,186	11,622	11,550	1954	1167	676	2,629
Int. in earn. of jt.-venture	7,171	1522	12,675	11,401	1981	174	1664
Deferred income				27,950	16,842	35,318	23,355
Extraordinary items	12,323			10,317	17,828	22,941	655
Reduction in def. inc.				19,203	12,941	11,061	
Subsid. shs. issued						175,000	75,000
Gov't. capital grants	11,969	19,542	6,201	3,020	35,322		
Notes receivable			63,543			127,500	27,500
Tsf. fixed assets				14,082			
	214,233	160,312	223,078	385,818	377,201	249,716	278,911
Application of Funds:							
Increase fixed assets	126,253	165,256	180,411	195,233	216,517	148,100	59,163
Acquis., subsid.	5,065			889	182	2,032	136,420
Incr. invest., jt. venture	11,538	3,737	16,233	53,166			
Debt retired		12,160	12,903	27,194	28,914	15,347	11,976
Increase l.-t. receivables	16,309		6,390				
Preferred shs. retired	9,620	8,674	7,734	12,146	3,579	2,208	2,097
Dividends	17,356	19,862	41,882	43,073	39,905	37,186	22,383
Dividends to min. shldrs.	2,826	3,646	3,190	4,971	9,917	2,109	4,945
Other items			894	2,080	3,002	4,286	1,090
	188,967	213,335	247,171	338,752	302,016	211,268	238,074
Increase working capital	25,266	53,023	24,093	47,066	75,185	38,448	40,837
†Subtract. □ Decrease.							

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

Years Ended December 31

	1984	1983	1982	1981	1980	1979	1978
	\$000's						
Net sales	2,137,169	1,660,180	1,634,262	1,763,385	1,364,695	1,470,910	1,295,699
Less: Operating costs	1,923,873	1,557,861	1,480,523	1,478,447	1,178,374	1,231,812	1,074,189
Profit from operations	213,296	102,319	153,739	284,938	186,321	239,098	221,510
Add: Interest & other income	22,943	27,216	29,737	30,092	29,493	12,245	6,645
Foreign exchange gain			4,117	27,336	23,057	32,027	
Net before deprec., etc.	236,239	129,535	187,593	307,694	212,757	248,316	228,155
Less: Deprec. & depletion	76,825	68,602	68,277	60,860	53,104	49,441	48,307
Long-term debt interest	40,396	18,903	31,586	31,123	34,807	22,678	23,173
Other interest expense	1,229	837	1,395		307	795	645
Income taxes: Current	13,286	12,992	8,189	44,045	26,061	63,961	60,353
Deferred	16,896	3,697	11,327	39,676	14,619	4,085	3,385
Minority interest	8,353	3,663	6,065	7,788	4,753	5,706	18,304
Add: Equity earnings:							
Mining jt. venture	d1,639	d729	d2,322	d905	4,300	11,091	2,478
Newsprint jt. venture	d5,289	1,917	2,017				
Other			524	269	347	1,363	2,184
Net income, operations	72,326	38,013	60,973	123,566	83,753	114,104	78,650
Add: Extraord. items\$	d2,188		d2,615	d3,925	6,854	1,014	d305
Net income	70,138	38,013	58,358	119,641	90,607	115,118	78,345
Add: Previous ret. earnings	634,196	596,462	498,262	422,656	371,494	293,562	237,600
Acctg. adjustment*		19,583	81,724				
Subsid. shs. purch., cancel.				197	460		
Less: Preferred divs.	8,053	7,424	10,804	9,975	9,840	9,147	4,703
Common dividends	25,003	12,438	31,078	33,098	30,065	28,039	17,680
Financing exp.				1,159			
Retained earnings	671,278	634,196	596,462	498,262	422,656	371,494	293,562

†Credit. *See Accounting Changes on page 11.

In 1984, net loss on sale of groundwood papers mill and sawmill; in 1982, \$7,885,000 gain on sale and transfer of assets and \$10,500,000 loss on write-down of Jonquière mill; in 1981, loss on sale of equipment; in 1980, gain on sale of equity interest; in 1979, net gain of \$4,459,000 on sale of Price-Skeena Forest Products Ltd. net of losses on sale of assets, etc.; and in 1978, writedown of net assets of Price Wilson Limited.

Remuneration—Of officers and directors totaled \$4,374,831 in 1984; \$4,102,144 in 1983; \$3,937,000 in 1982; \$3,275,381 in 1981; \$3,203,000 in 1980; \$2,685,000 in 1979; and \$2,852,000 in 1978.

Times Interest Earned:

Before deprec. & depl.	5.67	6.56	5.69	9.89	6.06	10.58	9.58
After deprec. & depl.	3.83	3.09	3.62	7.93	4.55	8.47	7.55

Earnings per Share:

Based on net income, operations							
Preferred: Times earned	18.98	15.12	15.64	112.39	18.51	112.47	116.72
Common*	\$1.02	\$0.48	\$0.82	\$1.86	\$1.31	\$1.87	\$1.32
Based on net income							
Preferred: Times earned	18.71	15.12	15.40	111.99	19.21	112.58	116.66
Common*	\$0.99	\$0.48	\$0.78	\$1.79	\$1.43	\$1.89	\$1.31

*Adjusted throughout for the 3-for 1 stock split effective May 30, 1985.

Dividends Paid or Declared:

Ser. A Preferred	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75
Ser. B Preferred	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Ser. E Preferred	2.17	2.17	2.17	1.6998			
Common	1.20	0.80	1.50	1.60	1.60	1.50	0.95

Note—Series C preferred shares privately held; series D preferred shares were not entitled to dividends.

*Includes initial.

Shares Outstanding at December 31:

Preferred, Ser. A	144,300	148,000	153,900	161,400	166,100	169,990	174,290
Preferred, Ser. B	440,000	480,000	512,687	527,321	582,300	640,000	680,000
Preferred, Ser. C	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	
Preferred, Ser. D		137,500	275,000	412,500	550,000	550,000	
Preferred, Ser. E		22,790	23,160	29,510			
Common	21,310,129	20,733,315	20,723,285	20,713,376	18,811,908	18,701,030	18,668,244

Equities at December 31:

Net worth* (\$000's)	909,865	861,524	824,180	733,920	617,965	569,319	391,103
Debentures, per \$1,000	\$3,470	\$3,405	\$3,276	\$3,037	\$2,985	\$4,383	\$3,425
Pref., per \$1 stated val.	8.73	7.57	6.72	5.61	4.42	3.98	9.16
Common*	12.60	12.02	11.28	9.71	8.47	7.60	6.21

*Available for capital stock; based on shareholders' equity. Debentures of the company taken in at par for calculation of their equity. Preferred stock deducted at stated value (\$50 per share for series A to D and \$25 per share for series E) before calculating equity per common share.

*Adjusted throughout for the 3-for-1 stock split effective May 1, 1985.

Working Capital at December 31:

Working capital (\$000's)	409,522	384,256	437,279	461,372	414,306	339,121	300,673
Ratio	2.59—1	2.65—1	3.00—1	2.81—1	3.01—1	2.77—1	2.63—1

CONSOLIDATED BALANCE SHEET, AS AT DECEMBER 31

	1984	1983	1982	1981	1980	1979	1978
	\$000's						
Assets							
Current:							
Cash & s.-t. investments	41,228	50,462	68,290	171,959	129,536	76,454	57,733
Accts. receivable	292,347	260,081	234,754	227,845	201,255	217,309	199,726
Notes rec., jt. venture			65,864				
Inventories:							
Finished prod. & wk. in proc.	133,198	101,250	92,999	87,651	67,153	61,476	66,221
Pulpwood & logs etc.	131,831	131,683	125,698	146,602	132,022	108,969	102,630
Materials & supplies	61,721	65,530	62,259	74,476	69,427	58,778	53,213
Income taxes recov.					11,604		
Prepaid expenses	6,660	7,751	6,054	7,453	9,770	7,595	5,586
	666,985	616,757	655,918	715,986	620,767	530,581	485,109
Unamort. debt disc. & exp.			3,231	3,296	1,968	1,902	1,368
Invest. in jt.-ventures:							
Mining	10,834	12,716	14,111	13,977	12,833	12,184	13,461
Newsprint venture	39,981	31,480	23,339	53,166			
Other companies			1,521	1,138	881	9,196	7,845
Fixed assets:							
Prop., plant & equip.	1,546,822	1,512,565	1,344,315	1,218,468	1,120,646	959,576	883,056
Logging equip. & develop.	89,979	93,270	92,187	88,992	77,863	67,201	60,135
Woodlands, mineral rts., etc.	31,411	32,999	32,636	39,701	38,919	42,413	44,601
Less: Accum. deprec. & depl.	657,941	645,259	587,455	540,599	527,049	480,488	468,381
	1,010,271	993,575	881,683	806,562	710,379	588,702	519,411
Invests.● & l.-t. receiv., etc.	46,927	18,465	14,684	8,528	8,908	7,058	8,350
Excess cost sub. shs./bk. val.			788	19,896	19,981	20,031	20,080
Unreal. l.-t. transl. loss†	46,661	27,425	23,900	14,011	18,061	14,045	16,839
	1,821,659	1,700,418	1,619,175	1,636,560	1,393,778	1,183,699	1,072,463
Liabilities							
Current:							
Bank indebtedness	4,049	6,210	7,795	8,825		5,534	5,446
Accts. pay. & accrued	234,395	216,361	182,609	195,609	173,208	153,257	131,415
Taxes payable	12,983	4,072	9,130	27,749	11,024	15,750	18,602
Dividends payable	1,437	1,229	8,716	9,987	8,952	8,916	8,082
Promissory notes							10,000
Long-term debt due, 1 yr.	4,599	4,629	10,389	12,444	13,277	8,003	10,891
	257,463	232,501	218,639	254,614	206,461	191,460	184,436
Conv. promissory notes							27,500
Deferred income				90,260	71,513	57,612	23,355
Deferred income taxes	209,331	191,762	171,007	152,279	119,103	103,117	106,628
Minority interest	25,056	19,529	19,511	16,636	18,076	24,465	23,276
Long-term debt:							
Debentures	368,379	358,186	362,043	360,344	311,332	168,271	161,267
Subsidiary debt	49,346	40,206	32,644	39,236	61,758	76,596	89,406
Other	6,818	1,339	1,540	1,715	847	862	1,383
Less: Current portion	4,599	4,629	10,389	12,444	13,277	8,003	10,891
	419,944	395,102	385,838	388,851	360,660	237,726	241,165
Subsid. co. pref. sh. issue							75,000
Shareholders' Equity							
Capital stock:							
Series A Preferred	7,215	7,400	7,695	8,070	8,305	8,499	8,715
Series B Preferred	22,000	24,000	25,634	26,366	29,115	32,000	34,000
Series C Preferred	75,000	75,000	75,000	75,000	75,000	75,000	
Series D Preferred		6,875	13,750	20,625	27,500	27,500	
Series E Preferred		570	579	738			
Common	121,239	105,161	105,060	104,859	55,389	54,826	54,826
Retained earnings	671,278	634,196	596,462	498,262	422,656	371,494	293,562
Def. currency transl. gain	13,133	8,322					
	1,821,659	1,700,418	1,619,175	1,636,560	1,393,778	1,183,699	1,072,463

●At cost.

▼Finished products, work in process and materials and operating supplies are valued at the lower of average cost and net realizable value; pulp wood and sawlogs are valued at average cost.

Foreign Currency Translation—Assets and liabilities of self-sustaining foreign subsidiaries and affiliates are translated to Canadian funds at year-end exchange rates and the unrealized exchange gains or losses are deferred in shareholders' equity. Income statement items of these operations are translated at exchange rates prevailing throughout the year. Monetary assets and liabilities of domestic companies and integrated foreign subsidiaries denominated in foreign currencies are translated to Canadian funds at year-end exchange rates, non-monetary assets are translated at historical rates and transactions included in earnings are translated at rates prevailing during the year with the exception of depreciation which is translated at historical rates. Exchange gains and losses of these companies are included in earnings with the exception of unrealized gains or losses on translation of long-term debt payable in U.S. funds which is deferred and is hedged by an income stream denominated in U.S. funds.

Pension Plan Liability—The present value of the unfunded obligation for pension benefits relating to past service was estimated to be approximately \$43,000,000 at Dec. 31, 1984, to be funded and charged to earnings over a period not exceeding 15 years.

HISTORICAL SUMMARY

(As originally stated in company's annual reports for the respective years)

Years Ended Dec. 31	Total Assets	Working Capital	L.-Term Debt	Shldrs. ¹ Equity	Net Sales	Net Inc. Oper.	Earns. per Com. Sh.	Com. Price High	Range Low
				\$000's			\$	\$	\$
1917 ..								58.50	48.00
1918 ..								51.50	48.00
1919 ..								292.50	48.00
1920 ..					10,580	3,684	■ 14.45	■ 87.00	■ 49.50
1921 ..					8,682	2,839	11.03	58.00	22.00
1922 ..	30,283	2,123	11,707	10,807	9,461	1,882	7.25	71.00	30.00
1923 ..	31,053	2,118	11,005	12,204	11,048	2,467	9.59	74.00	56.50
1924 ..	31,402	2,902	10,322	12,706	10,687	2,808	10.95	69.00	53.00
1925 ..	33,089	3,609	9,634	12,984	10,365	2,870	11.20	76.25	61.50
1926 ..	34,382	3,463	8,944	13,848	*4,100	2,962	11.57	98.00	70.25
1927 ..	43,985	4,091	12,252	14,340	*4,214	2,905	11.33	150.25	82.00
1928 ..	177,919	12,097	50,000	95,027	*7,381	2,846	■ 1.33	■ 85.00	■ 36.25
1929 ..	177,922	12,593	50,000	96,975	*8,377	4,112	1.97	58.50	35.00
1930 ..	193,409	14,743	55,000	97,491	*7,374	2,922	0.47	42.25	8.25
1931 ..	191,696	10,684	54,055	93,666	*5,200	1,302	.....	13.75	2.50
1932† ..	178,177	281	48,267	91,341	*1,006	d1,572	.....	3.25	0.25
1933● ..	119,689	d379	50,162	\$54,847	10,847	▲1,037	.....	4.00	0.13
1934● ..	120,676	d244	50,162	\$54,847	9,702	▲954	.....	2.50	0.75
1935● ..	122,241	408	50,162	\$54,847	11,232	▲1,205	.....	2.00	0.55
1936● ..	121,956	2,241	50,162	\$54,847	14,975	▲2,185	.....	7.00	1.30
1937● ..	123,087	5,303	50,163	\$54,847	21,755	▲4,839	.....	15.50	1.25
1938● ..	123,891	7,348	50,163	\$54,847	14,731	▲2,983	.....	4.75	1.00
1939● ..	121,679	10,773	50,163	\$54,847	16,146	▲3,445	.....	3.38	0.50
1940● ..	125,460	18,828	50,163	\$54,847	23,499	▲8,188	.....	2.50	0.50
1941● ..	124,992	22,473	43,888	\$54,847	27,038	▲10,126	.....	1.15	0.50
1942● ..	138,083	24,735	75,395	\$54,847	26,115	▲8,749	.....	0.85	0.40
1943● ..	130,324	25,532	70,611	\$54,847	27,940	▲9,808	.....	4.25	0.59
1944● ..	127,504	24,260	65,896	\$54,847	28,211	▲9,714	.....	4.50	2.13
1945● ..	123,378	26,895	52,273	\$54,847	29,763	▲10,365	.....	7.13	2.50
1946 ..	124,869	24,248	53,094	50,701	*20,569	5,600	■ 2.72	■ 22.75	■ 14.00
1947 ..	128,982	15,835	42,465	65,088	64,340	8,563	5.11	21.38	14.25
1948 ..	137,274	23,311	39,566	74,124	87,757	10,271	6.48	19.75	12.25
1949 ..	135,030	24,438	36,915	77,323	84,678	9,781	6.17	23.63	9.75
1950 ..	153,841	22,323	34,023	79,487	93,777	12,624	8.77	45.50	21.13
1951 ..	158,171	26,403	40,789	87,115	111,528	12,999	■ 3.07	■ 22.25	■ 14.00
1952 ..	152,894	28,876	38,149	90,912	107,382	9,098	2.02	18.38	12.63
1953 ..	153,557	31,198	35,332	95,469	109,768	10,044	2.27	17.00	12.25
1954 ..	156,834	39,099	41,332	89,765	113,998	10,626	2.49	27.50	16.50
1955 ..	163,339	40,808	29,060	110,747	123,173	13,936	3.20	37.50	26.00
1956 ..	184,659	48,257	40,598	118,260	132,498	15,424	3.56	43.25	28.75
1957 ..	192,215	41,612	47,984	123,674	128,199	12,502	2.86	35.50	22.50
1958 ..	188,258	40,397	45,556	125,384	123,386	9,657	2.19	37.50	24.38
1959 ..	189,683	39,759	40,632	128,739	133,813	11,826	2.72	40.13	33.00
1960 ..	194,835	38,578	39,997	132,424	146,340	12,266	2.83	41.75	35.00
1961 ..	197,738	41,043	37,663	138,263	147,587	13,711	3.18	43.25	36.63
1962 ..	204,022	40,099	34,979	144,587	156,006	15,495	3.61	49.75	38.63
1963 ..	212,516	37,962	33,760	153,285	164,576	16,208	■ 0.93	■ 13.00	■ 10.00
1964 ..	229,656	46,005	42,130	156,939	184,709	17,934	1.01	16.13	12.63
1965 ..	265,976	48,757	51,108	164,051	194,411	16,736	0.96	14.25	11.63
1966 ..	264,210	45,492	47,701	170,569	211,167	15,928	0.92	13.50	9.63
1967 ..	286,623	57,412	61,388	173,274	209,303	12,452	0.72	12.13	7.75
1968 ..	360,530	61,685	109,657	189,724	255,588	10,617	0.60	9.63	6.50
1969 ..	383,694	64,505	114,469	194,757	287,000	12,141	0.64	13.25	8.50
1970 ..	388,072	77,118	123,473	193,825	283,947	5,032	0.21	13.00	6.75
1971 ..	380,172	84,660	117,690	197,700	279,434	4,123	0.23	8.75	5.25
1972 ..	387,875	89,819	111,440	204,853	307,751	8,516	0.44	10.88	7.00
1973 ..	425,058	94,582	104,406	229,203	403,536	30,552	1.66	15.00	9.25
1974 ..	486,903	87,948	149,903	262,359	551,893	45,880	2.50	14.75	8.38
1975 ..	870,924	229,023	266,004	304,529	764,384	13,329	0.57	11.63	8.25
1976 ..	899,364	224,562	254,197	309,208	880,351	13,024	0.47	13.63	8.63
1977 ..	930,241	259,836	252,784	337,239	1,045,504	37,908	1.81	11.50	8.75
1978 ..	1,072,463	300,673	252,056	391,103	1,295,699	78,650	3.96	20.25	10.13
1979 ..	1,183,699	339,121	245,729	569,319	1,470,910	114,104	5.62	21.38	16.63
1980 ..	1,393,778	414,306	373,937	617,965	1,364,695	83,753	3.94	26.88	17.50
1981 ..	1,636,560	461,372	401,295	733,920	1,763,385	123,566	5.57	32.25	19.13
1982 ..	1,619,175	437,279	396,227	824,180	1,634,262	60,973	2.46	22.63	15.00
1983 ..	1,700,418	384,256	399,731	861,524	1,660,180	38,013	1.44	25.75	18.00
1984 ..	1,821,659	409,522	424,543	909,865	2,137,169	72,326	3.07	34.00	24.50

*Net operating revenue after operating expense and income taxes.

■ After 5-for-1 stock split in 1920; 2-for-1 stock split in 1928; 1-for-2 consolidation in 1946; 3-for-1 split in 1951; 4-for-1 split in 1963.

†Period from June 1, to Sept. 10, 1932, at which time the company was placed in receivership until Apr. 30, 1946; 1933 period covers from Sept. 10, 1932, to Dec. 31, 1933.

▲Balance available for depreciation and bond interest.

●Receiver's statements.

□ Consolidated accounts in 1928-32, and in 1948 and subsequently; general accounts in other years.

PRODUCTION STATISTICS

	Newsprint	Printing and Fine Papers	Market Pulp		Groundwood Pulp	Board & Bldg. Mtls.
			Bleached	Unbleached		
			Tons			
1940	439,300	45,138	50,843	21,280	544	2,135
1941	482,344	50,018	57,209	28,653	968	1,022
1942	429,366	50,406	59,001	43,206	5,126	1,603
1943	474,808	50,300	60,364	41,688	n.a.	1,289
1944	441,721	54,264	58,782	n.a.	n.a.	1,482
1945	456,412	56,335	59,288	6,978	11,405	1,149
1946	611,845	61,725	53,144	28,266	802	800
1947	657,556	65,628	59,484	37,548	4,287	8,213
1948	680,539	68,914	61,020	38,968	4,655	35,644
1949	673,297	64,900	57,418	11,804	93	31,605
1950	686,225	73,882	58,960	5,286		35,915
1951	716,112	83,365	57,345	32,564		46,547
1952	726,840	72,039	54,603	14,731		49,229
1953	728,039	75,506	57,835			52,847
1954	772,247	74,593	63,617			43,484
1955	793,560	85,972	65,504			56,679
1956	815,830	98,038	67,377			65,185
1957	765,533	101,952	63,516			69,103
1958	692,781	96,905	51,446			114,202
1959	735,215	107,884	44,008			138,754
1960	780,043	112,137	40,672			144,834
1961	741,978	117,332	44,352			145,833
1962	756,021	123,939	36,301			164,166

	Newsprint\$	Groundwood Papers	Fine Papers	Kraft Products\$	Hardboard Msf.	Lumber fbm.
		Tons				
1963	740,600	18,900	113,200	100,300	332,600	
1964	819,300	16,600	115,700	122,300	382,900	
1965	829,300	26,600	110,100	115,300	436,900	
1966	890,800	36,300	122,100	133,300	380,900	
1967	825,900	38,800	125,300	130,800	390,000	
1968	925,100	43,200	116,300	156,400	449,500	
1969	1,078,300	47,700	123,500	175,800	438,900	
1970	1,043,600	37,300	138,700	190,300	452,000	8,600
1971	967,000	22,200	130,000	180,700	510,200	21,500
1972	980,100	32,000	145,300	191,300	570,400	29,700
1973	1,190,200	25,400	172,200	191,300	601,200	38,400
1974	1,221,500	29,600	183,000	196,900	612,300	79,300
1975▲	1,548,000	129,000	77,000	162,000	733,000	130,000
1976	1,711,000	211,000	113,000	247,000	854,000	272,000
1977	1,694,000	231,000	157,000	271,000	904,000	324,000
1978	1,962,000	292,000	181,000	297,000	935,000	356,000
1979	1,961,000	370,000	202,000	247,000	848,000	360,000
1980	□ 1,546,000	222,000	196,000	□ 136,000	693,000	244,000
1981	□ 1,788,000	340,000	170,000	□ 188,000	878,000	291,000
1982	□ 1,512,000	353,000	112,000	□ 173,000	942,000	140,000
			Tonnes			
1983	1,461,000	321,000	114,000	173,000	1,113,000	181,000
1984	1,721,000	374,000	121,000	115,000	1,111,000	181,000

▲Includes Price Co. Ltd. in 1975 and subsequently. □ Metric tons.

\$Includes paperboard, kraft paper and market pulp.

\$Includes total production of the 50%-owned joint venture in Augusta, Ga. but excludes tonnage made available under an exclusive marketing agreement.

Note—A significant portion of market pulp production is consumed in the manufacture of primary paper products at other Abitibi-Price mills.

(This information is obtained from sources we believe to be reliable, but is not guaranteed)

